

MEMORANDUM FOR: DDA/Personnel

DOCUMENTS LISTED/ATTACHED BEING RETURNED YOUR OFFICE FROM THE DCI/REVIEW STAFF READING ROOM. DOCUMENTS WERE FURNISHED THE REVIEW STAFF FOR USE DURING THE INVESTIGATION BY THE HOUSE AND SENATE SELECT COMMITTEES ON INTELLIGENCE.

1. VOLUNTEER INVESTMENT PLAN, RS NO. 75-3133/1
2. LIST OF NAMES OF OFFICIAL CONTACTS AT EACH EXECUTIVE AGENCY, RS NO. 75-2572

AT
RECEIVED BY:

DATE: 11 May 1976

CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

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Review Staff: 75/3133/1
10 November 1975

Mr. A. Searle Field
Staff Director
Select Committee on Intelligence
House of Representatives
Washington, D.C. 20515

Dear Mr. Field:

When Mr. Mattox was briefed by the Chairman of the Volunteer Investment Plan (VIP), he expressed an interest in reviewing three documents relating to the Trust Agreement between the CIA and the Board of Trustees, Terms and Conditions of the VIP (amended), and the letters of Qualification for the Trust and Plan received from the IRS by the Board of Trustees.

This is to advise that these documents are available for Mr. Mattox to review during his next visit to Headquarters.

Sincerely,

[Redacted Signature]

Review Staff

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TRUST AGREEMENT FOR ESTABLISHMENT OF A GOVERNMENT
EMPLOYEES VOLUNTARY INVESTMENT PLAN

THIS AGREEMENT AND DECLARATION OF TRUST, made this
21st day of February 1970 by and between the Central Intelligence
Agency, hereinafter referred to as "CIA", and the Board of Trustees of the
Voluntary Investment Plan, hereinafter referred to as the "Board".

WITNESSETH:

1. CIA hereby establishes a plan for savings and investment by
certain of its employees in order to provide additional and more flexible
retirement and related benefits for those employees who desire to participate
in the plan. This plan shall be known as the "Voluntary Investment Plan",
hereinafter referred to as the "Plan", and shall constitute an employees'
pension trust, separate and apart from the CIA Retirement and Disability
System and the Civil Service Retirement System.

2. The Plan shall be maintained and administered by a Board of
Trustees who shall invest the money in the Plan and make payments to
participants or their beneficiaries in accordance with the Terms and
Conditions of the Plan, hereinafter referred to as the "Terms and Conditions".
The powers conferred upon the trustees can be exercised by the concurrence
of a majority of them.

3. The Board shall consist of six employees appointed by the
Director of Central Intelligence for terms of three years, except that the
Director shall appoint two of the original trustees for terms of one year and
two of them for terms of two years. The Director shall designate one of the
trustees to be Chairman of the Board. The Director may remove any

trustee at any time and upon such removal or upon the resignation of any trustee, the Director shall appoint a successor trustee who shall serve for the remainder of the term of the trustee he succeeds.

4. All expenses of this trust and the expenses of administering the Plan shall be paid by CIA but, to the extent that such expenses may not be paid by CIA, they shall be a charge against the Plan and shall be paid by it. Expenses relating to a particular Savings Fund of the Plan may be charged against such fund as if it were a separate trust.

5. CIA shall make deductions from the compensation of participants in the Plan in accordance with the Terms and Conditions and shall pay the same to the Board or its designees.

6. CIA may terminate the Plan at any time; and in that event, the Board will liquidate the assets of the Plan and will distribute the proceeds among the members and beneficiaries or will distribute the assets in kind as provided in Article 7 of the Terms and Conditions.

7. The legal title, ownership and control of all assets of the trust shall be and remain with the Board, and neither the employer nor any member shall have any estate therein, except that a member shall be entitled to receive distributions as and when lawfully made under the Terms and Conditions.

8. This agreement may be amended by mutual consent of CIA and the Board, but no amendments may be made which will diminish the equity the participating member has theretofore acquired in the Plan.

9. This trust shall be governed by and construed in accordance with the laws of the State of Virginia.

10. The Board accepts this Declaration of Trust and agrees to administer the trust in accordance with the provisions hereof.

IN WITNESS WHEREOF, CIA and the Board of Trustees have caused this agreement to be executed as of the day and year first above written.

CENTRAL INTELLIGENCE AGENCY

SIGNED
Richard Helms, Director

Approved and accepted by the undersigned who constitute in its entirety the Board of Trustees of the Government Employees Voluntary Investment Plan as of the date of this Trust Agreement:

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[] Chairman

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TERMS AND CONDITIONS OF THE GOVERNMENT EMPLOYEES
VOLUNTARY INVESTMENT PLAN AS AMENDED
24 November 1970

Article 1

Definitions

1. "Investment Plan" or "Plan" shall mean the Voluntary Investment Plan for certain employees of the Central Intelligence Agency as herein established.
2. "Member" shall mean an employee or former employee of the Central Intelligence Agency holding equity in the Investment Plan.
3. "Board" shall mean the Board of Trustees of the Investment Plan.
4. "Savings Fund" or "Fund" shall mean a segregated fund, the assets of which are invested as determined by the Board and devoted to a stated investment objective designated by the Board and announced to the members.

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TERMS AND CONDITIONS OF THE GOVERNMENT EMPLOYEES
VOLUNTARY INVESTMENT PLAN AS AMENDED
3 April 1973

Article 1

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Article 2

Eligibility

Any United States citizen employee of CIA whose cumulative Agency service, including employment on detail from another Government agency or military service, is at least one year and who is a participant in the Central Intelligence Agency Retirement and Disability System or the Civil Service Retirement System may elect to participate in the Investment Plan by filing with the Board the prescribed form. Such participation shall begin as soon as practicable after the Board's receipt of the form.

Article 3

Savings Funds

1. The Board shall establish one or more Savings Funds to which the contributions made by the members shall be credited in accordance with their respective designations together with all income earned or gains realized on the assets held in the respective Funds. The assets of each Fund shall be segregated and invested and reinvested in such securities, obligations or property as the

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5. "Minimum Contribution: shall mean the minimum amount which a member may contribute to the Plan at any one time.

6. "Cumulative Minimum Contributions" shall mean the minimum contribution multiplied by the number of pay periods during which the member has been a member of the Plan.

7. "Voluntary Contributions" shall mean contributions in excess of cumulative minimum contributions.

8. "Redemption Value" shall mean unit value except that in cases where a sale of assets of a Fund is required in order to make a lump sum payment or transfer, redemption value shall mean the net per unit proceeds of such sale.

9. The masculine pronoun wherever used shall include the feminine pronoun.

Board may select, or deposited in either interest bearing or non-interest bearing accounts in banks or savings and loan institutions insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation: Provided; that the Board shall make no investment, nor engage in any transaction which is prohibited under the provisions of the Internal Revenue Code.

2. Each Fund will be established with a stated investment objective which shall be made known to all members of the Plan and offered to them as an investment medium for a designated portion or all of their individual investment in the Plan. Each of the Funds shall constitute a segregated account and shall be used exclusively for payment of benefits to the members in the Fund or their beneficiaries. Each participant shall at all times have a fully vested interest in the equity attributable to his contributions made hereunder.

Article 4

Contributions

1. The minimum contribution to the Plan shall be \$5 per biweekly payroll period or \$10 per pay period for employees paid on a monthly or other basis. Contributions in excess of cumu-

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lative minimum contributions shall be considered voluntary contributions for purposes of the Plan. Each member may contribute to one or more of the Savings Funds through payroll deductions or by such other method as the Board may require. A member's contribution to each Savings Fund in which he participates shall be in whole dollars and not less than \$5 per biweekly payroll period or \$10 per pay period if paid on a monthly or other basis; provided that such payroll deductions may not exceed 10% of his basic salary for the pay period reduced by the amount of his voluntary contributions to any other qualified retirement plan in which he is a participant as a result of his employment by CIA. Subject to the foregoing limitation, a member may make contributions in excess of 10% of his basic salary for any pay period so long as the total of his contributions for all years does not exceed 10% of his aggregate basic salary for all years in which he was a member of the Plan reduced by the amount of any withdrawals made under the provisions of Article 5-4.

2. A member may from time to time modify, suspend or reinstate his contribution to the Investment Plan, change his current contribution from one Savings Fund to another, or transfer his previously acquired equity in one Fund to another, subject to such limitations as the Board may prescribe.

3. The equity which a member acquires in the assets of any Fund shall be expressed in units. If the Fund holds shares in a single regulated investment company, each unit shall be the equivalent of one share of that investment company. If the Fund holds assets other than shares in a single regulated investment company, each unit shall be valued at ten dollars when the Fund is first established and thereafter the Board shall, not less frequently than once each month, determine the value of a unit by dividing the fair market value of the assets of such Fund by the total number of units. The Board shall determine the equity which a member acquires by his contributions to a Fund by dividing the member's contributions by the cost of shares purchased for a Fund holding shares in a single regulated investment company, or by the unit value of a Fund holding other assets. Members' contributions shall be invested not less often than monthly. After withholding any expenses not paid by CIA, any dividends, interest or capital gains earned on the investments of any Fund will be prorated among the members' accounts on the basis of their respective equities in the Fund. The Board will maintain appropriate accounts showing the equity of each participant in each Fund.

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Article 5

Distribution of Equity

1. A member's equity in the Investment Plan normally shall be distributable at the time of the member's separation from the service of the Central Intelligence Agency. A member retiring from the Central Intelligence Agency who is entitled to an immediate annuity under the Civil Service Retirement System or the Central Intelligence Agency Retirement System and any member separating from the Central Intelligence Agency after his 50th birthday may, with the Board's approval, elect to defer distribution of his benefits and selection of the method of distribution to a date not later than his 66th birthday, which shall be considered the latest normal retirement date under this Plan.

2. The member may, with the Board's approval, select the method of distribution of his equity in the Plan which may be one or more of the following: (a) installment payments in such amount and/or over such period as may be requested by the member and as can be conveniently arranged by the Board at the member's expense, (b) transfer of the member's equity to him in the form of shares

issued by a regulated investment company or companies, (c) a lump sum payment, or (d) any other method desired by the member which is acceptable to the Board. Any method of distribution selected hereunder shall be actuarially equivalent to the member's equity in the Plan and shall be limited to such forms as do not, at the time benefits are due to commence, guarantee payments which extend beyond the life expectancy of both the member and his spouse.

3. On the death of a member, his equity in the Plan shall be paid to the beneficiary or beneficiaries designated by him to receive his equity in the Plan and if no beneficiary has been designated, to the executor or administrator of his estate. The member may, with the Board's approval, select the method of distribution to his beneficiary or beneficiaries from any of the methods provided in paragraph 2 of Article 5; and, if the member has not selected a method of distribution, the beneficiary may do so with the Board's approval. A beneficiary may, with the Board's approval, elect to defer distribution of his benefits to a date not more than one year after the death of the member.

4. A member may, with the Board's approval, withdraw in a lump sum a portion or all of his voluntary contributions, provided that the value of his equity remaining in the Plan immediately after

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such withdrawal shall be not less than his cumulative minimum contributions. A member who has made such a withdrawal shall not be permitted to make another withdrawal until one year thereafter; except that upon his separation or death, distribution of his equity may be made as otherwise provided.

5. The liquidation in whole or in part of a member's equity in the Plan in order to make a lump sum payment or transfer shall be made as soon as practicable after the Board receives the member's or beneficiary's request. The payment or transfer shall be made on the basis of the redemption value of the Funds in which he holds equity as of the transaction date on which Plan assets are applied to such lump sum payment or transfer. Arrangements for payment of the member's equity in installments or by transfer of shares in an investment company shall be completed by the Board as soon as practicable and on the basis of values at the time such arrangements are effected. Any portion of a member's contributions to a Fund which at the time of liquidation of his equity therein is not reflected in his equity account shall be refunded to the member or his beneficiary, as the case may be.

Article 6

Loans to Members

1. Upon application of a member, the Board may, in its sole discretion and under such terms as it may prescribe, authorize the use of the member's equity in the Investment Plan as collateral or security for a loan by the member from a bank, credit union, or other lender approved by it.
2. The Board may deposit with the lender as collateral, securities or other assets of Funds in which the member has invested or may guaranty the loan on the basis of such assets, provided that no guaranty may obligate the Board for an amount in excess of the value of the member's assets in the Plan at any time such loan becomes due and payable.
3. The outstanding balance of a loan secured or guaranteed by a member's equity in the Plan shall be a lien against his equity; and, in the event of his default on the loan or his death while a loan balance is outstanding, the Board shall discharge the member's indebtedness from any of the assets of the Plan to the extent of the member's equity in such assets. Such discharge shall be considered a withdrawal for purposes of determining a member's eligibility to make further withdrawals under the provisions of Article 5-4.

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Article 7

Termination of the Investment Plan

CIA may terminate the Investment Plan at any time and, upon its termination or upon complete discontinuance of contributions under the Plan, will either liquidate the assets of any or all of the Funds and distribute them among the members and beneficiaries or distribute them in kind. Distribution in cash or in kind will be in proportion to the respective equities of the members and beneficiaries in each Fund.

Article 8

Amendments to Terms and Conditions

These Terms and Conditions may be amended by the Board from time to time, provided the Board gives at least 30 days' notice of the proposed amendment to CIA and to the members. CIA may, by notice in writing addressed to the Board within said 30 days, disapprove any such proposed amendment and, in that event, it shall not become effective. No such amendment may diminish the equity which a member has theretofore acquired in a Savings Fund.

General Provisions

1. The Board shall have the right to establish and carry out such rules; regulations and procedures as in its discretion may seem necessary or convenient to carry out, interpret, or implement the provisions of this Plan. No rules, regulations or procedures shall be adopted which are discriminatory under the provisions of the Internal Revenue Code.
2. Except in those cases where power is expressly reserved to, or to be shared with, the Central Intelligence Agency, the Board shall have full power and authority to determine all matters arising in the administration, interpretation, and application of the Plan; and the determination of any such matter by the Board shall be conclusive on all persons.
3. In all matters of administration of the Plan which require the Board's approval or otherwise involve its discretion, the Board shall act in a manner which will achieve, insofar as practicable, uniformity of treatment among all the members.

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4. Applications for, or elections of, benefits, including the withdrawal of contributions, and designations or changes of beneficiary shall be made on such forms as shall be prescribed or authorized by the Board.

5. Any designation of beneficiary may be changed by the member at any time or from time to time during his life by signing and filing with the Board a written notification of change of beneficiary in such form as shall be required by the Board. The designation of a member's spouse as the beneficiary to receive any benefit payable upon the member's death shall be automatically revoked by a final decree of divorce dissolving their marriage. This provision shall not prevent the member from redesignating the divorced spouse as the beneficiary by filing a new designation form for that purpose.

6. To the extent permitted by law, the sale, transfer, anticipation, assignment, pledge, or any kind of encumbrance of trust assets or benefits will not be permitted or recognized, and neither trust assets nor benefits payable to any participant or beneficiary shall be subject to attachment or other legal process for or against a participant or beneficiary. The provisions of this paragraph shall not be applicable to the terms of any note or other instrument entered into pursuant to

the provisions of Article 6 (Loans to Members) nor shall they be construed to restrict in any way the encumbrance of assets as collateral or security as therein contemplated.

7. Neither the Board, the Central Intelligence Agency, nor any officer, employee, or agent thereof, shall incur any liability on account of any loss or decrease in the value of the assets of any of the Savings Funds in the Investment Plan, or in the amount of any member's equity therein, resulting from depreciation in the value of, or earnings on, the assets held.

Internal Revenue Service
Washington, DC 20224

Date:

NOV 30 1970

In reply refer to:

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> Central Intelligence Agency
Washington, D.C. 20505

Gentlemen:

Name of Plan: Voluntary Investment Plan
Dates: Adopted 2-21-70, Amended 11-24-70

Based on information supplied, we have determined that the pension plan, with any amendments, as shown above, is qualified under section 401(a) of the Internal Revenue Code.

Continued qualification of the plan will depend on its effect in operation as well as its present form. (See section 1.401-1(b)(3) of the Income Tax Regulations.)

This letter relates only to the status of your plan under the Internal Revenue Code. It is not a determination regarding the effect of other Federal or local statutes.

Ordinarily, under the terms of Revenue Procedure 69-1, C.B. 1969-1, 381, jurisdiction for issuing this determination letter would have rested with the District Director in Richmond, Virginia. However, due to the nature of this case, the District Director has relinquished such jurisdiction to us. Nevertheless, any subsequent transactions involving such matters as amendment or termination of the plan or trust should be referred to the District Director for his action.

Sincerely yours,

A. Goldberg

Acting Chief, Pension Trust Branch



Internal Revenue Service
Washington, DC 20224

Date:

NOV 30 1970

In reply refer to:

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► Board of Trustees of the
Voluntary Investment Plan
Central Intelligence Agency
Washington, D.C. 20505

Gentlemen:

In Re: Trust Agreement for Establishment
of a Voluntary Investment Plan

Based on information supplied, we have determined that the above trust forming part of a qualified pension plan, is exempt under section 501(a) of the Internal Revenue Code.

The trust is subject to the following provisions of the Code: section 502 (relating to feeder organizations), section 503 (relating to prohibited transactions), and sections 511 through 515 (relating to tax on unrelated business income).

The following returns must be filed:

Form 990-P, Return of Employees' Trust Exempt From Tax, as required by regulations under section 6033 of the Code.

Form 990-T, Exempt Organization Business Income Tax Return, as required by regulations under section 6012 of the Code, if you realized unrelated business income.

Forms 1096 and 1099, U.S. Information Returns, as required by regulations under section 6041 of the Code.

Amounts distributed or made available to employees or their beneficiaries are taxable according to the provisions of section 402(a) of the Code.

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Central Intelligence Agency

Director has relinquished such jurisdiction to us. Nevertheless, any subsequent transactions involving such matters as amendment or termination of the plan or trust should be referred to the District Director for his action.

Sincerely yours,

J. Goldberg

Acting Chief, Pension Trust Branch

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REVIEW STAFF FOR USE DURING THE INVESTIGATION BY THE HOUSE AND
SENATE SELECT COMMITTEES ON INTELLIGENCE.

[REDACTED] STAT

RECEIVED BY:

[REDACTED] STAT

DATE: 10 May 1976